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RECORDATION NO. 21174 FILED

JAN 23 '98

1-36 PM

January 19, 1998

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MEMORANDUM TO SURFACE TRANSPORTATION BOARD

Re: SBC Dillon Read - Koppers Industries

Enclosed for filing is a Pledge and Security Agreement dated as of December 1, 1997, made by Koppers Industries, Inc. to Mellon Bank, N.A.

Please call me if you have any questions.

Maureen P. Murphy
Legal Assistant

[Enclosure]

RECEIVED
SURFACE TRANSPORTATION
BOARD

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RECORDATION NO. 21174 FILED

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PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (this "Agreement"), dated as of December 1, 1997, by and between KOPPERS INDUSTRIES, INC. (the "Borrower"), a Pennsylvania corporation, and MELLON BANK, N.A., a national banking association, as administrative agent and collateral agent for the Banks and the Issuing Banks hereinafter referred to (in its capacity as collateral agent, the "Agent").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of the date hereof (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement") by and among the Borrower, certain parties as guarantors, the Banks parties thereto from time to time (each a "Bank" and collectively the "Banks"), the Issuing Banks referred to therein (the "Issuing Banks"), the Swingline Bank referred to therein, SBC Warburg Dillon Read Inc., as Arranger and Syndication Agent ("SBC"), Swiss Bank Corporation, Stamford Branch, as Documentation Agent ("Swiss Bank"), Mellon Bank, N.A., as administrative agent (the "Administrative Agent") and the Agent (the Banks, the Issuing Banks, the Swingline Bank, SBC, Swiss Banks, the Administrative Agent and the Agent being collectively the "Bank Parties"), the Banks have agreed to extend credit to the Borrower in an aggregate principal amount not exceeding at any one time outstanding \$275,000,000, which may include up to \$80,000,000 face amount of letters of credit (the "Letters of Credit") which may be issued for the account of the Borrower from time to time by the Issuing Banks; and

WHEREAS, the obligation of the Banks to extend such credit and of the Issuing Banks to issue Letters of Credit under the Credit Agreement is subject to the condition, among others, that the Borrower grant to and create in favor of the Agent, for the benefit of the Bank Parties, a security interest in certain assets of the Borrower as hereinafter provided;

NOW, THEREFORE, in consideration of the Debt (as hereinafter defined) and other good and valuable consideration, receipt of which is hereby acknowledged by the Borrower, and in order to induce the Bank Parties to enter into the Credit

Agreement, the parties hereto, intending to be legally bound, hereby covenant and agree as follows:

1. Certain Definitions. In addition to the words and terms defined elsewhere in this Agreement, the following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires. Words and terms defined in the Credit Agreement shall, unless the context hereof clearly otherwise requires, have the same meanings herein as therein provided.

"Accounts" shall mean (a) all rights of the Borrower, whether presently owned or existing or hereafter acquired or arising by or in favor of the Borrower, to payment for Goods sold or leased or for services rendered which are not evidenced by an Instrument or Chattel Paper, whether or not earned by performance, and (b) all other property now or hereafter constituting an "account" as defined in the Code.

"Agreement" shall mean this Pledge and Security Agreement as the same may be amended, modified or supplemented from time to time.

"Chattel Paper" shall mean (a) all writings which evidence both a monetary obligation and a security interest in or a lease of specific Goods, including any Instrument or Instruments evidencing such monetary obligations, and (b) all other property now or hereafter constituting "chattel paper" as defined in the Code. When a transaction is evidenced both by such a security agreement or a lease and by an instrument or a series of instruments, the group of writings taken together constitutes Chattel Paper.

"Code" shall mean the Uniform Commercial Code as in effect on the date of this Agreement and as the same may be amended from time to time hereafter in any relevant jurisdiction.

"Collateral" shall mean, collectively, all of the Borrower's present and future right, title and interest in and to the following property, whether now owned or held or hereafter existing or acquired and wherever located: (a) all Accounts and Inventory; (b) all Chattel Paper, Instruments and Documents; (c) all Equipment; (d) all Fixtures; (e) all General Intangibles; (f) all Intellectual Property; (g) the Collateral Account and all funds from

time to time on deposit therein; and (h) all products and Proceeds of any or all of the foregoing.

"Collateral Account" has the meaning given such term in Section 6 hereof.

"Debt" shall mean (a) all indebtedness, obligations and liabilities of the Borrower, whether of principal, interest, fees, expenses or otherwise, now existing or hereafter contracted or incurred under or in connection with the Credit Agreement, any Related Document, Interest Rate Agreement or Currency Agreement entered into with a Bank, and any and all extensions, renewals, refinancings, re-fundings or substitutions of or for any thereof in whole or in part, (b) all indebtedness of the Borrower to the Bank Parties evidenced by the Notes, both principal and interest, and any extensions, renewals, refinancings, re-fundings or substitutions of or for any thereof in whole or in part, (c) all future advances made by the Bank Parties for the protection or preservation of the Collateral, including, without limitation, advances for storage and transportation charges, taxes, insurance, repairs and the like, and (d) any and all costs and expenses, including attorneys' fees and legal expenses, paid or incurred by the Bank Parties in connection with the collection of the amounts referred to in the preceding clauses (a), (b) and (c).

"Documents" shall mean (a) all documents of title (as defined by the Code) now owned or hereafter acquired by the Borrower, and (b) all other property now or hereafter constituting a "document" as defined in the Code.

"Equipment" shall mean (a) all Goods now or hereafter owned by the Borrower whether now or hereafter deemed to constitute Fixtures, whenever acquired and wherever located, used or bought for use primarily in its business and not included in Inventory, together with all attachments, accessories and parts used or intended to be used with said Goods, whether now or hereafter installed therein or thereon or affixed thereto, as well as all substitutions and replacements thereof in whole or in part, and (b) all other property now or hereafter constituting "equipment" as defined in the Code.

"Fixtures" shall mean all Goods that become related to particular real estate so that an interest therein arises under real estate law.

"General Intangibles" shall mean (a) all personal property (including rights to receive payment of money and things in action) now owned or hereafter acquired by the Borrower, other than Goods, Accounts, Chattel Paper, Documents, Instruments and money, and (b) all other property now or hereafter constituting "general intangibles" as defined in the Code.

"Goods" shall mean (a) all things now owned or hereafter acquired by the Borrower and wherever located which are movable or which are Fixtures, but does not include money, Documents, Instruments, Accounts, Chattel Paper or General Intangibles, and (b) all other property now or hereafter constituting "goods" as defined in the Code.

"Instruments" shall mean all (a) negotiable instruments, (b) certificated securities, (c) other writings which evidence a right to the payment of money which are not themselves security agreements or leases and which are of a type which are in the ordinary course of business transferred by delivery with any necessary endorsement or assignment, now owned or hereafter acquired by the Borrower, and (d) other property now or hereafter constituting an "instrument" as defined in the Code.

"Intellectual Property" shall mean the following, to the extent now owned or hereafter acquired by the Borrower, including without limitation, those items listed on Schedule A hereto: (a) all patents and patent applications, (b) all trademarks, service marks, trade names and applications therefor, (c) all copyrights and copyright applications, (d) all license agreements and covenants not to sue relating to any of the foregoing and (e) the entire goodwill of the Borrower's business related to the trademarks, service marks and trade names.

"Inventory" shall mean (a) all Goods now or hereafter owned by the Borrower, whenever acquired and wherever located, held for sale or lease or furnished or to be furnished under contracts of service, and all raw materials, work in process and materials now or hereafter owned by the Borrower, whenever acquired and wherever located, and used or consumed in its business, and (b) all other property now or hereafter constituting "inventory" as defined in the Code.

"Proceeds" shall mean (a) whatever is received when Collateral or proceeds are sold, exchanged, collected or

otherwise disposed of, both cash and non-cash, including, without limitation, the proceeds of insurance payable by reason of loss of or damage to Collateral or proceeds, the Borrower's right, title and interest in the Collateral Account, all amounts from time to time on deposit therein and all other proceeds thereof and (b) all other property now or hereafter constituting "proceeds" as defined in the Code.

2. Security. As security for the full and timely payment of the Debt in accordance with the terms of the respective instruments or agreements now or hereafter evidencing the Debt or pursuant to which the Debt is created, the Borrower (a) hereby pledges the Collateral to the Agent, for the benefit of the Bank Parties, and (b) hereby agrees that the Agent, for the benefit of the Bank Parties, shall have, and the Borrower hereby grants to and creates in favor of the Agent, for the benefit of the Bank Parties, a security interest, under the Code or other applicable Law, in and to the Collateral. Notwithstanding the foregoing, there is expressly excepted from the security interest granted hereunder any interest of the Borrower in and to any of the Collateral if by reason of applicable Law or the terms of any agreement to which the Borrower is a party or by which the Borrower is bound or to which such interest is subject, the subjection of such interest to the Lien of this Agreement would either (i) cause such interest to become void or voidable or (ii) constitute a breach or default under any such Law or agreement, provided, further, that if such conditions should at any time no longer apply, such interest shall then be included within the Lien and operation of this Agreement.

3. Agent Has Rights and Remedies of a Secured Party. In addition to all rights and remedies given to the Agent by this Agreement, the Credit Agreement and the Related Documents, the Agent shall have all the rights and remedies of a secured party under the Code or other applicable Law.

4. Provisions Applicable to the Collateral. The parties agree that, at all times during the term of this Agreement, the following provisions shall be applicable to the Collateral:

(a) The Borrower shall maintain and keep its principal place of business and its chief executive office and shall maintain and keep its records concerning the Collateral at Pittsburgh, Pennsylvania and at no other location without prior written notification to the Agent and with-

out taking any action, including the filing of financing statements, which may be necessary or desirable to preserve the Agent's security interest in the Collateral. The Borrower shall keep its Equipment constituting Collateral and its Inventory at the locations set forth on Schedule C attached hereto and made a part hereof and at no other location without prior written notification to the Agent and without taking any action, including the filing of financing statements, which may be necessary or desirable to preserve the Agent's security interest in the Collateral.

(b) Promptly upon request of the Agent from time to time after the occurrence and during the continuance of a Potential Default or an Event of Default, the Borrower shall furnish the Agent with duplicate copies of all invoices rendered to account debtors in respect of the Accounts and such other information concerning the Borrower, its creditworthiness, the Collateral owned by it and compliance with this Agreement as the Agent may reasonably request.

(c) The Borrower shall furnish to each of the Bank Parties, promptly after the request of the Agent from time to time, but in any event not more frequently than once during each fiscal quarter, except upon the occurrence and during the continuance of a Potential Default or an Event of Default, a certificate, signed by its principal financial officer, setting forth as of the date of such certificate (i) the totals of the unpaid dollar amounts, net of any discounts, of those Accounts that are current, those that are 30 to 60 days old, those that are 60 to 90 days old, and those that are over 90 days old, listing separately in all cases the amount of Accounts due to intercompany transactions between the Borrower and any Affiliated Entities, (ii) the dollar amount, valued at the lower of cost or market, and location of the Inventory, and (iii) such information as the Agent may reasonably request concerning the Proceeds received or receivable by the Borrower.

(d) Notwithstanding the security interest in the Collateral granted to and created in favor of the Agent under this Agreement, the Borrower shall have the right, until one or more of the Events of Default shall occur and be continuing or shall exist, to sell, lease or otherwise dispose of the Inventory in the ordinary course of the Borrower's business.

(e) The Borrower represents and warrants to the Agent to the best of its knowledge that it does not currently own or hold any Documents, Instruments or Chattel Paper constituting Collateral. In order to perfect the security interest granted by the Borrower hereby, the Borrower shall deliver to the Agent possession of any Documents, Instruments and Chattel Paper constituting Collateral hereafter acquired by the Borrower (duly endorsed by the Borrower in blank), promptly upon its acquisition of the same.

(f) Notwithstanding the security interest in the Collateral granted to and created in favor of the Agent under this Agreement, the Borrower shall have the right, until one or more of the Events of Default shall occur and be continuing or shall exist, at its own cost and expense, to collect any and all amounts due or to become due in respect of any Chattel Paper, Instruments and General Intangibles constituting Collateral. If one or more of the Events of Default shall occur and be continuing or shall exist, the Agent shall have the right (i) to direct any party liable to pay any such amount to make payment thereof directly to the Agent and (ii) to demand for, collect and receive any and all such payments.

(g) The Borrower shall not sell, lease, transfer or otherwise dispose of any of the Collateral, except to the extent permitted by Section 7.10 of the Credit Agreement.

5. Certain Covenants. The Borrower agrees that:

(a) The Borrower has and will have good and marketable title to the Collateral from time to time owned or acquired by it, free and clear of all liens, encumbrances and security interests, except Permitted Liens. The Borrower will defend such title against the claims and demands of all persons whomsoever.

(b) Except as may be permitted by the Credit Agreement, the Borrower will not (i) borrow against the Collateral from any person, firm or corporation other than the Bank Parties, (ii) create, incur, assume or suffer to exist any Lien on any of the Collateral, (iii) permit any levy or attachment to be made against any of the Collateral except any levy or attachment relating to this Agreement, or (iv) permit any financing statement or other document evidencing or perfecting a Lien to be on file

with respect to any of the Collateral, except financing statements or such documents in favor of the Agent.

(c) The Agent is hereby appointed attorney-in-fact for the Borrower to do all acts and things which the Agent may deem necessary or advisable to preserve, perfect and continue perfected the Agent's security interest in the Collateral, including, without limitation, the signing of financing and other similar statements.

(d) Risk of loss of, damage to or destruction of the Collateral is on the Borrower. The Borrower will insure the Collateral against such risks and casualties and in such amounts and with such insurers as are specified in the Credit Agreement. All such policies of insurance shall contain loss payable clauses in favor of the Borrower and the Agent as their respective interests may appear, and such policies or certificates evidencing the same shall be deposited with the Agent on the date hereof. The Borrower agrees to notify the Agent promptly of any notice of cancellation of any such policy and agrees not to cancel, mortgage, pledge, hypothecate, sell, transfer or assign its interest in any such insurance or any rights to cancel such insurance or to obtain the return of the unearned premiums therefor to any person other than the Agent. If the Borrower fails to effect and keep in full force and effect such insurance or fails to pay the premiums thereon when due, the Agent may do so for the account of the Borrower and add the cost thereof to the Debt, and the same shall be payable to the Agent on demand. The Borrower hereby assigns and sets over unto the Agent all moneys in excess of \$500,000 which may become payable on account of such insurance, including, without limitation, any return of unearned premiums which may be due upon cancellation of any such insurance, and directs the insurers to pay the Agent any amount so due. The Agent and its officers, employees and authorized agents are hereby irrevocably appointed attorneys-in-fact of the Borrower to endorse any draft or check which may be payable to the Borrower in order to collect the proceeds of such insurance or any return of unearned premiums. Any balance of insurance proceeds remaining in the possession of the Agent after payment in full of the Debt shall be paid to the Borrower or its order.

(e) The Borrower assumes full responsibility for taking any and all necessary steps to preserve rights in respect of the Accounts and the Chattel Paper, Instru-

ments, Documents and General Intangibles constituting Collateral against all account debtors, obligors and other persons.

(f) Upon the occurrence and during the continuance of any Event of Default, the Borrower shall promptly upon demand by the Agent assemble the Equipment and Inventory constituting Collateral and make it available to the Agent at the place or places to be designated by the Agent, which shall be reasonably convenient to all parties. The right of the Agent under this subsection (f) to have the Equipment and Inventory constituting Collateral assembled and made available to it is of the essence of this Agreement and the Agent may, at its election, enforce such right by a bill in equity for specific performance.

(g) If the Borrower fails to maintain each item of Equipment and Inventory constituting Collateral in accordance with the requirements specified in the Credit Agreement, the Agent may pay the cost of such repairs or maintenance and such taxes, levies or other impositions for the account of the Borrower and add the amount thereof to the Debt, and the same shall be payable to the Agent on demand.

(h) Upon request by the Agent, the Borrower shall provide to the Agent, with sufficient copies for each Bank Party, updated versions of any or all Schedules hereto. Such updated Schedules shall be incorporated herein and made a part hereof.

The Agent shall have no duty as to the collection or protection of the Collateral or any part thereof or any income thereon, or as to the preservation of any rights pertaining thereto, beyond exercising reasonable care in the custody of any Collateral actually in the possession of the Agent. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of such of the Collateral as may be in its possession if it takes such action for that purpose as the Borrower shall request in writing, provided that such requested action shall not, in the judgment of the Agent, impair the Agent's security interest in the Collateral or its rights in, or the value of, the Collateral, and provided further that such written request is received by the Agent in sufficient time to permit it to take the requested action.

6. Lockbox Provisions.

(a) The Borrower shall instruct all obligors in respect of all Accounts to make payment of all amounts due or to become due to the Borrower in respect of such Accounts directly to the Agent (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Agent). All such payments made to the Agent shall be deposited in the Collateral Account. Any amounts and Proceeds (including Instruments) received by the Borrower in respect of the Accounts shall be received in trust for the benefit of the Agent hereunder, shall be segregated from other funds or property of the Borrower and shall be forthwith paid over or delivered to the Agent in the same form as so received (with any necessary endorsement).

(b) The Agent shall have the right at any time after an Event of Default shall have occurred and be continuing to notify the obligors under any Accounts of the assignment of such Accounts to the Agent, and the Agent shall have the right at any time after an Event of Default shall have occurred and be continuing to direct such obligors to make payment of all amounts due or to become due to the Borrower in respect of such Accounts directly to the Agent. After receipt by the Borrower of such notice, all amounts and Proceeds (including Instruments) received by the Borrower in respect of the Accounts shall be received in trust for the benefit of the Agent hereunder, shall be segregated from other funds or property of the Borrower and shall be forthwith paid over or delivered to the Agent in the same form as so received (with any necessary endorsement).

(c) For the purpose of facilitating collections under this Section 6, the Borrower hereby irrevocably authorizes and empowers the Agent to endorse and sign the name of the Borrower on all checks, drafts or other payment media received by the Agent, and such endorsements shall for all purposes be deemed to have been made by the Borrower prior to any endorsements or assignments thereof by the Agent. The Agent may use any convenient or customary means for the purpose of collecting such checks, drafts or payment media. If an Event of Default or Potential Default shall have occurred and be continuing, the Agent shall have the right, at the expense of the Borrower, to enforce collection of any such Receivables, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Borrower might have done.

(d) The Agent shall establish one or more non-interest bearing cash collateral accounts at its Office, titled in its own name (collectively, the "Collateral Account"), and

the funds therein shall be segregated and not commingled with other funds of the Agent or any other Person. The Collateral Account shall be subject to the exclusive dominion and control of the Agent and shall constitute Collateral hereunder. All right, title and interest in and to the Collateral Account, and all funds on deposit therein from time to time, shall vest in the Agent, for the benefit of the Bank Parties. The Agent shall deposit in the Collateral Account all funds received by the Agent pursuant to this Section 6 and all funds required to be so deposited under this Agreement or any other Related Document. No other funds shall be deposited in the Collateral Account or commingled with funds in the Collateral Account. The Agent may establish such subaccounts within the Collateral Account as it deems appropriate from time to time. The Agent shall have the right at any time after an Event of Default or Potential Default shall have occurred and be continuing to require the Borrower to deposit in the Collateral Account all such proceeds of Collateral.

(e) The Agent shall have the right at any time to apply monies held by it in the Collateral Account to the payment of unpaid Obligations which are then due and payable. So long as no Event of Default or Potential Default shall have occurred and be continuing and subject to the immediately preceding sentence, the Agent shall, on the Business Day on which the Agent considers any funds deposited in the Collateral Account to be collected funds, withdraw such funds from the Collateral Account and deposit the same into one or more operating accounts (collectively, the "Designated Accounts") maintained by the Borrower with Mellon Bank, N.A. or another financial institution that has entered into an agreement with the Agent in the form attached hereto as Exhibit "D".

7. Events of Default. (a) If one or more of the Events of Default shall occur and be continuing or shall exist, then and in any such event, the Agent shall have such rights and remedies in respect of the Collateral or any part thereof as are provided by the Code and such other rights and remedies in respect thereof which it may have at law or in equity or under this Agreement, including, without limitation, the right to (a) enter any premises where Equipment or Inventory constituting Collateral is located and take possession of the same without demand or notice and without prior judicial hearing or legal proceedings, which the Borrower hereby expressly waives, and/or (b) sell all or any portion of the Collateral at any broker's board or at public or private sale, without prior notice to the Borrower except as otherwise required by Law (and if notice is required by Law, after ten days' prior written no-

tice), at such time or times and in such manner and upon such terms, whether for cash or on credit, as the Agent in its sole discretion may determine.

(b) With respect to any Collateral now or hereafter located in the State of Louisiana, Borrower hereby acknowledges and confesses judgment (for the limited purpose of foreclosure under Louisiana executory process procedures) in favor of Agent for the full amount of the Debt, in principal, interest, attorneys fees and costs, whether now existing or hereafter arising. In the event any of the Collateral located in the State of Louisiana is seized as an incident to an action for the recognition or enforcement of this Agreement by executory process, ordinary process, sequestration, writ of fieri facias or otherwise, Borrower and Agent agree that the court issuing any such order shall, if petitioned for by Agent, direct the applicable sheriff to appoint as a keeper of the Collateral, the Agent or any agent designated by Agent or any person named by the Agent at the time such seizure is effected. This designation is pursuant to Louisiana Revised Statutes 9:5136 through 5140.2, inclusive, as the same may be amended, and Agent shall be entitled to all the rights and benefits afforded thereunder. It is hereby agreed that the keeper shall be entitled to receive as compensation, in excess of its reasonable costs and expenses incurred in the administration or preservation of the Collateral, an amount equal to the lesser of \$200 per day or 4% of the gross revenues of the Collateral. The designation of keeper made herein shall not be deemed to require Agent to provoke the appointment of such a keeper. Borrower waives in favor of the Agent, any and all homestead exemptions and other exemptions of seizure or otherwise to which Borrower is or may be entitled under the constitution and statutes of the State of Louisiana insofar as the Collateral is concerned. Borrower further waives: (i) the benefit of appraisal as provided in Louisiana Code of Civil Procedure Articles 2332, 2336, 2723 and 2724, and all other laws conferring the same; (ii) the demand and three days' delay accorded by Louisiana Code of Procedure Articles 2639 and 2721; (iii) the three days delay provided by Louisiana Code of Civil Procedure Articles 2331 and 2722; and (iv) the benefit of the other provisions of Louisiana Code of Civil Procedure Articles 2331, 2722 and 2723, not specifically mentioned above.

8. Amendments. The provisions of this Agreement may from time to time be waived, modified, supplemented or amended with the written consent of the Borrower and the Agent. Any waiver, permit, consent or approval of any kind or character on the part of the Agent of or to any breach or default under this

Agreement or any such waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

9. Defeasance. Upon the payment in full of the Debt, this Agreement shall terminate and be of no further force or effect; provided, however, that this Agreement shall not terminate until the later of the termination of the Commitments and all Letters of Credit and the payment in full of all Obligations. Until such time, however, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

10. Severability. If any provision of this Agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

11. Waiver. No delay or failure on the part of the Agent in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof or of any other right, remedy, power or privilege of the Bank Parties or any of them hereunder or under the Credit Agreement or any instrument or instruments now or hereafter evidencing the Debt; nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies of the Agent under this Agreement are cumulative and not exclusive of any rights or remedies which it might otherwise have.

12. Indemnification. The Borrower will indemnify and save and hold the Bank Parties harmless from and against any and all claims, damages, losses, liabilities or judgments which may be incurred or sustained by any Bank Party or asserted against any Bank Party, directly or indirectly, in connection with the existence of or the lawful exercise of any of the security rights with respect to the Collateral, except for matters which may result from the gross negligence or willful misconduct of any Bank Party, as finally determined by a court of competent jurisdiction. The covenants contained in this paragraph shall survive the termination of the other provisions of this Agreement. In the event of any action at law or suit in equity in relation to this Agreement, the Borrower, in addition to all other sums which they may be required to pay, will pay a reasonable sum for attorneys' fees incurred by the Agent

in connection with such action or suit and all other expenses of collection.

13. Survival. All representations, warranties, covenants and agreements of the Borrower contained herein or made in writing in connection herewith shall survive the execution and delivery of this Agreement and shall continue in full force and effect from and after the date hereof until payment in full of the Debt.

14. Notices. All notices hereunder shall be given in accordance with and become effective as provided by Section 10.05 of the Credit Agreement.

15. Governing Law. The attachment, perfection and the effect of attachment and perfection of the Agent's security interest in the Collateral and the rights, duties and obligations of the Agent and the Borrower with respect thereto shall be governed by the Code or other Law that is applicable to the particular type of Collateral in question. This Agreement shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and the execution and delivery hereof and, to the extent not inconsistent with the preceding sentence, the terms and provisions hereof shall be governed by and construed in accordance with the laws of said Commonwealth, without giving effect to the conflict of law rules thereof. Unless the context otherwise requires, all terms used herein which are defined in the Code shall have the meanings therein stated.

16. Headings. The headings of this Agreement are for convenience only and shall not be construed as a part of this Agreement.

17. Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the day and year first above written.

Attest:

By

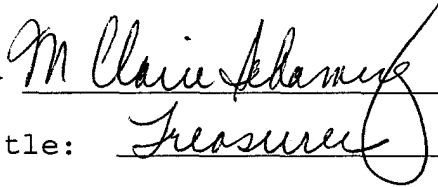


Title:

V.L. and Secretary
[Seal]

KOPPERS INDUSTRIES, INC.

By

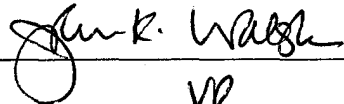


Title:

Treasurer

MELLON BANK, N.A., as Collateral Agent

By



Title:

VP

ACKNOWLEDGMENT

~~COMMONWEALTH OF PENNSYLVANIA~~)
STATE OF NEW YORK) ss.:
COUNTY OF ~~ALLEGHENY~~ NEW YORK)

On this, the 1st day of December, 1997, before me, a Notary Public, the undersigned officer, personally appeared M. CLAIRE SCHAMING, who acknowledged himself to be TREASURER of KOPPERS INDUSTRIES, INC., a Pennsylvania corporation, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Maureen P. Murphy
Notary Public
[Notarial Seal]

My commission expires: 3/30/99

MAUREEN P. MURPHY
Notary Public, State of New York
No. 24-4798844
Qualified in Richmond County
Certificate Filed in New York County
Commission Expires March 30, 1999

SCHEDULE A

Intellectual Property

United States

I. Domestic and Foreign Patents:

TITLE OF PATENT	COUNTRY	PATENT NO. / ISSUE DATE (Inventor)
Composition for Use Between Polymeric Tie Plates and Cross Ties	United States	4,231,908 / 11/04/80 (Pennino, C.J.)
Separation of Phenols	United States	4,275,246 / 06/23/81 (Greco, N.P.)
Connector and Imperforate Reinforcement Plates in Combination	United States	4,299,511 / 11/10/81 (Demers, H.J.)
Laminated Wooden Railroad Crosstie Having Exposed End- Grain Forming Part of the Load Bearing Surface	United States	4,326,669 / 04/27/82 (Moult, R.H. et al.)
Continuous Proofloader	United States	4,326,421 / 04/27/82 (Pilesi, W.D. et al.)
Process for Obtaining Para Cresol and Meta Cresol from a Mixture of Methylated and Ethylated Phenols containing Meta-Para Cresol	United States	4,267,392 / 05/12/81 (Leston, G.)
Process for Obtaining Para Cresol from a Mixture of Methylated and Ethylated Phenols Characterized by Selective Complexation with Calcium Bromide and Sodium Acetate	United States	4,267,390 / 05/12/81 (Leston, G.)

TITLE OF PATENT	COUNTRY	PATENT NO. ISSUE DATE (Inventor)
Process for Obtaining Para Cresol from a Mixture of Methylated and Ethylated Phenols Characterized by Urea Clathration of Meta Cresol	United States	4,267,391 05 12 81 (Leston, G.)
Capped Highway Grade Crossing	United States	4,899,932 02 13 90 (Beachy, D.K. et al.)
Process for Preparing Debenzotized Tar and Low-Benzene Centrifuged Tar Sludge	United States	5,314,609 05/24/94 (Stipanovich, J., et al.)
Process for Removing Solids from Coal Tar	United States	4,436,615 03/13/84 (Boodman, N.S. et al.)
Process for Making Carbon Electrode Impregnating Pitch from Coal Tar	United States	5,326,457 07/05/94 (Stipanovich, J.)

II. Domestic and Foreign Patent Applications:

TITLE OF APPLICATION	COUNTRY	SERIAL NO. (Inventor)
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TITLE OF APPLICATION	COUNTRY	SERIAL NO. (Inventor)
Coal Tar Pitch Blend and Method of Making Thereof	United States	08 513,329 (McHenry, E R and Saver, W.E.)

III. Invention Disclosures:

None

IV. Trademark Registrations:

TRADEMARK	COUNTRY	TRADEMARK REG. NO./ CLASS(ES)	GOODS/SERVICES
HYDROSHIELD	United States	654,685 / 16	Liquid Asphalt Compositions
KOPPERS COKE	United States	160,225 / 1	Coke
LIGHT RISER	United States	209,937 / 12	Laminated Lighting Standards
KOPPERS	United States	1,241,176 / 17	Isocyanurate, urethane or phenolic foam insulation materials
KOPPERS	United States	1,940,412 / 1,2,4	Organic acids, cresylic acid compounds, naphthalene, coal tar bases in crude and pure form, namely quinoline and pyridine, synthetic pearlescence, namely basic lead carbonate, phthalic anhydride, and maleic anhydride, sold in bulk to the tar, coke and aluminum industries; floatation oils, coal tar neutral oils, and tar acid oils for use in the manufacture of paints and solvents, floatation oils, coal tar neutral oils, and tar acid oils for use as industrial lubricants
KOPPERS	United States	1,919,197 / 4,19	Fuel, namely coke; crude coal tar and pitches and preservative treated lumber

TRADEMARK	COUNTRY	TRADEMARK REG. NO. CLASS(ES)	GOODS SERVICES
KOPPERS	United States	1,902,735 19	Bituminous cement for flashing and roofing structural membranes for built-up roof constructions namely, tar-saturated fabric, asphalt and tar felt, waterproof pitch for building and roofing, bituminous fiber roof coating plastic, bituminous touch up sealant for patching and repairing bituminous coated surfaces, bituminous protected roofing, siding and valleys, preservative treated wood products, namely, piling, poles, posts, cross-ties, lumber, structural supports and laminated structural wood products for general construction purposes, laminated structural wood products, namely arches, beams, columns, decking, lighting standards, utility crossarms, plywood and other structural members, reinforced plastic standard structural shapes for general construction purposes and panels, polyester flooring, and liquid and liquefiable bituminous mastic and asphaltic roof coatings for brushing and spraying
KOPPERS	United States	1,940,412 1	For organic acids, cresylic acid compounds, naphthalene, coal tar bases in crude and pure form, namely quinoline and pyridine, synthetic pearlescence, namely basic lead carbonate, phthalic anhydride, and maleic anhydride, sold in bulk to the tar, coke and aluminum industries, floatation oils, coal tar neutral oils and tar acid oils for use in the manufacture of paints and solvents, wood preservatives, namely creosote and creosote solutions, floatation oils, coal tar neutral oils and tar acid oils for use as industrial lubricants

**SCHEDULE B
TO
PLEDGE AND SECURITY AGREEMENT
DATED DECEMBER 1, 1997**

Schedule of Equipment

oppers Industries, Inc.

<u>umber</u>	<u>Type of Equipment</u>	<u>A.A.R. Mechanical Designation</u>	<u>Identifying Marks</u>	<u>Serial Number (both inclusive in the case of each series)</u>
1	tank car	T	KPCX	431
6	tank cars	T	KPCX	500-505
3	tank cars	T	KPCX	507-509
5	tank cars	T	KPCX	510-514
3	tank cars	T	KPCX	517-519